

## Fiscal Service, Treasury

## § 225.2

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### PART 225—ACCEPTANCE OF BONDS, NOTES, OR OTHER OBLIGATIONS ISSUED OR GUARANTEED BY THE UNITED STATES AS SECURITY IN LIEU OF SURETY OR SURETIES ON PENAL BONDS<sup>1</sup>

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AUTHORITY: Sec. 15, 61 Stat. 650; 6 U.S.C. 15.

SOURCE: Department Circular 154, Revised, Feb. 6, 1935, unless otherwise noted.

#### § 225.1 Bond-approving officers; definition.

The term *bond-approving officers* as used in this part means the head of an executive department or Government establishment or an officer designated either by law or regulation to approve *penal bonds*. The Treasury of the United

States assumes no responsibility or liability on account of the acts of bond-approving officers. The term *bond-approving officer* shall be deemed to include the officer's successors in office.

#### § 225.2 Bonds or notes acceptable as security; power to sell.

Any individual, partnership, or corporation required by the laws of the United States or regulations made pursuant thereto to furnish any recognition stipulation, bond, guaranty, or undertaking (hereinafter called *penal bond*), with surety or sureties, may, in lieu of such surety or sureties, deposit as security with the official having authority to approve such *penal bond* (hereinafter called the *bond-approving officer*), United States bonds, Treasury notes, or other public debt obligations of the United States or obligations which are unconditionally guaranteed as to both interest and principal by the United States (all of which classes of obligations are hereinafter called *bonds or notes*), in a sum equal at their par value to the amount of the *penal bond* required to be furnished, together with an irrevocable power of attorney and agreement in the form prescribed, authorizing the bond-approving officer to collect or sell, assign and transfer such bonds or notes so deposited in case of any default in the performance of any of the conditions or stipulations of such *penal bond*. The acceptance of such bonds or notes in lieu of surety or sureties required by law shall have the same force and effect as individual or corporate sureties, or certified checks, bank drafts, post-office money orders, or cash, for the penalty or amount of such *penal bond*. The term *par value* as applied in this part to bonds or notes not issued on a discount basis means the stated dollar amount thereof; *i.e.*, the denominational amount, such as \$100, \$500, and \$1,000; and as applied to bonds or notes issued on a discount basis means the dollar amount which the holder is entitled to receive at maturity or the next following date of redemption at the option of the holder, whichever amount is less. In order to avoid the frequent substitution of bonds or notes, bond-approving officers will not receive a bond or note which

<sup>1</sup>The forms mentioned in this part may be obtained from Financial Management Service, U.S. Treasury Department, Washington, DC 20226.